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Remarks by
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Board of Governors of the Federal Reserve System

on
Currency Redesign
National Press Club
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The introduction of our new \$100 notes has been quite an undertaking. This introduction has required years of careful planning. It has involved literally thousands of details, and many Treasury and Federal Reserve employees throughout the country. There have also been numerous consultations with central bankers all over the world and a thorough examination of the ways in which currency flows internationally.

I am pleased to report that everything is ready for the issuance of the Series 1996 currency. I am confident that the transition to new \$100 notes will go as smoothly as humanly possible.

As I speak, new \$100 notes are being staged in all of the Federal Reserve System's 37 offices. By the week of March 25, there will be 800 million new notes available for distribution. (If you are like me and your checking account balance isn't likely to have several commas, let me do the arithmetic for you. That's 80 billion--yes billion--dollars.) Those new notes amount to a third of the \$240 billion worth of \$100 notes in circulation worldwide.

It is not easy to comprehend numbers so large, yet the numbers reflect an important fact: U.S. currency is the most widely used and most highly regarded currency in the world. People in the far corners of the world depend on U.S. currency as a means of exchange and a store of value.

Our obligation to them, and to every American, is the reason we have taken every precaution to see that the transition goes well. That means ensuring an orderly flow of new notes through the normal distribution channels. It means creating a high level of public awareness that the change is coming. We do not want people to be surprised by the new currency, and we want them to be able to recognize a new note as genuine. We also have

taken pains to make clear that the U.S. Government always honors its currency at full face value, no matter how old.

When the new design was unveiled last September, Chairman Greenspan said something that bears repeating. He pointed out that the U.S. Government has never recalled any of its currency and does not plan to do so now. All genuine U.S. currency now in circulation, whenever it was issued, will remain legal tender.

On March 25, Federal Reserve Banks will **stop** issuing old (pre-1996) \$100 notes. That is the day the Federal Reserve will begin to ship new series 1996 \$100 notes. New-design notes will not be available to everyone at the same time--not in every country, not in every city and not even in every bank in every city. Certain large banks order \$100s from the Federal Reserve on a regular basis, so their customers will be able to obtain the notes sooner. Smaller banks routinely order \$100s only once a month, their customers may have to wait longer to obtain the new notes.

Starting March 25, the Federal Reserve Banks will fulfill orders for \$100 notes only with the new notes, which will replace the older notes as they are deposited with us by depository institutions. In this way, notes issued before 1996 will disappear gradually, and their place will be taken by Series 1996 hundreds.

To facilitate the transition, our Federal Reserve Banks have been holding training seminars for commercial banks all over the country. In the seminars the Reserve Banks have used training packets and videos aimed at familiarizing tellers with the new notes. Another way we are facilitating the transition is by increasing our level of services to banks so as to ensure that

there are adequate supplies of the new notes available to meet customer demand.

This is an exciting and historic time at the Federal Reserve and the Treasury. As you know, it has been generations since the design of U.S. currency was so dramatically changed. As we strive to keep our currency secure, it may not be another 68 years before still newer protection is added to the greenback. Future protection may not require such great change. But rest assured that the Federal Reserve is committed to issuing currency that will never cease to warrant the respect and esteem that U.S. currency now enjoys around the world.